



The point on the diffusion of environmental liability policies in Italy according to the new ANIA statistical survey

0,64% is the percentage of Italian companies that have taken out insurance cover for environmental damage. This is what emerges from the processing carried out by the Pool Ambiente, cross-checking the data collected by ANIA relating to the diffusion of Environmental Liability policies in Italy in 2022 with ISTAT data relating to the number of companies active in the same period.

For the second year, ANIA has carried out a statistical survey involving almost all operators in the Italian market for environmental damage policies, which contains:

- the update of the processing relating to the calendar year 2021, following the receipt of additional data relating to the period;
- the processing of the first data relating to the calendar year 2022, that cannot be considered definitive at the date of publication of this note due to the normal delays in the transmission of information.

Present survey does not, however, include “accidental pollution coverage” present in various insurance products such as Third-Party Liability Policies. The reason why that extension is not covered in this analysis is that it is a partial and limited guarantee of damage to the environment.

Despite the slight improvement compared to last year's survey, the incidence of environmental liability policies is still less than 1%, which shows that there is still a long way to go before these policies become more widespread.

Analysis of the portfolio of environmental damage policies by sector of activity¹

Environmental coverage is aimed at all types of companies, of any sector and size. The data below therefore do not refer only to certain segments, but to the entire portfolio of policies, ranging from insurance coverage for micro-enterprises and SMEs to large multinational companies.

¹ Clarifications on the data reported in this document:

- Number of policies: this refers to the number of policies underwritten from 1 January to 31 December of the year considered; this number does not take into account the actual number of sites.
- Technical premium: the technical premium is the premium net of loadings; this item is expressed in euros.
- No. Claims: this is the number of claims reported for policies underwritten in the calendar year in question. The number of claims reported varies greatly from one year to the next, therefore this figure should not be considered an indication of the average claims rate in the sectors in question. Based on the information available to the Environment Pool, this number is comparable to the number of proceedings for environmental reclamation/damage initiated annually in Italy; however, this official data is not currently available (MOSAICO -isprambiente.it).



Table 1a – Portfolio of environmental damage policies in Italy and number of active companies per sector - Data updated 2021²

SECTOR	N° Companies operating in Italy	ANIA DATA 2021										
		N° Policies	Distribution N° Policies	Incidence N° Policies/N° Companies	Technical premium income (€ x 1.000)	Distribution technical premium	N° Claims	Distribution N° Claims	Total cost of Claims (€ x 1.000)	N° Claims/N° Policies	Average cost of claims (€ x 1.000)	Loss Ratio
1. AGRI-FOOD	24.970	306	5%	1,23%	1.767	5%	7	5%	434	2%	62,0	24,6%
2. CIVIL, COMMERCIAL, TOURISM	577.119	535	10%	0,09%	5.490	15%	10	7%	659	2%	65,9	12,0%
3. PAPER, WOOD, PRINTING	21.755	127	2%	0,58%	582	2%	1	1%	65	1%	65,0	11,2%
4. CHEMICAL	3.571	425	8%	11,90%	4.168	12%	9	6%	336	2%	37,3	8,1%
5. BUILDING PRODUCTS, GLASS AND CERAMICS	9.199	113	2%	1,23%	637	2%	1	1%	36	1%	36,0	5,7%
6. ENERGY	2.468	115	2%	4,66%	1.980	6%	18	12%	107	16%	5,9	5,4%
7. STEEL, METALWORKING AND METAL PROCESSING	82.286	565	10%	0,69%	4.588	13%	13	9%	1.287	2%	99,0	28,1%
8. OIL	6.896	280	5%	4,06%	3.685	10%	55	37%	2.780	20%	50,5	75,4%
9. PLASTICS AND RUBBER	6.774	188	3%	2,78%	1.536	4%	4	3%	146	2%	36,5	9,5%
10. WASTE	6.585	1.398	25%	21,23%	5.657	16%	15	10%	1.091	1%	72,7	19,3%
11. TEXTILES AND LEATHER PROCESSING	19.057	117	2%	0,61%	685	2%	1	1%	20	1%	20,0	2,9%
12. TRANSPORT	41.189	214	4%	0,52%	1.771	5%	4	3%	322	2%	80,5	18,2%
13. CONTRACTORS	127.969	1.205	22%	0,94%	3.426	10%	12	8%	96	1%	8,0	2,8%
TOTAL	929.838	5.588	100%	0,60%	35.972	100%	150	100%	7.379	3%	49,2	20,5%

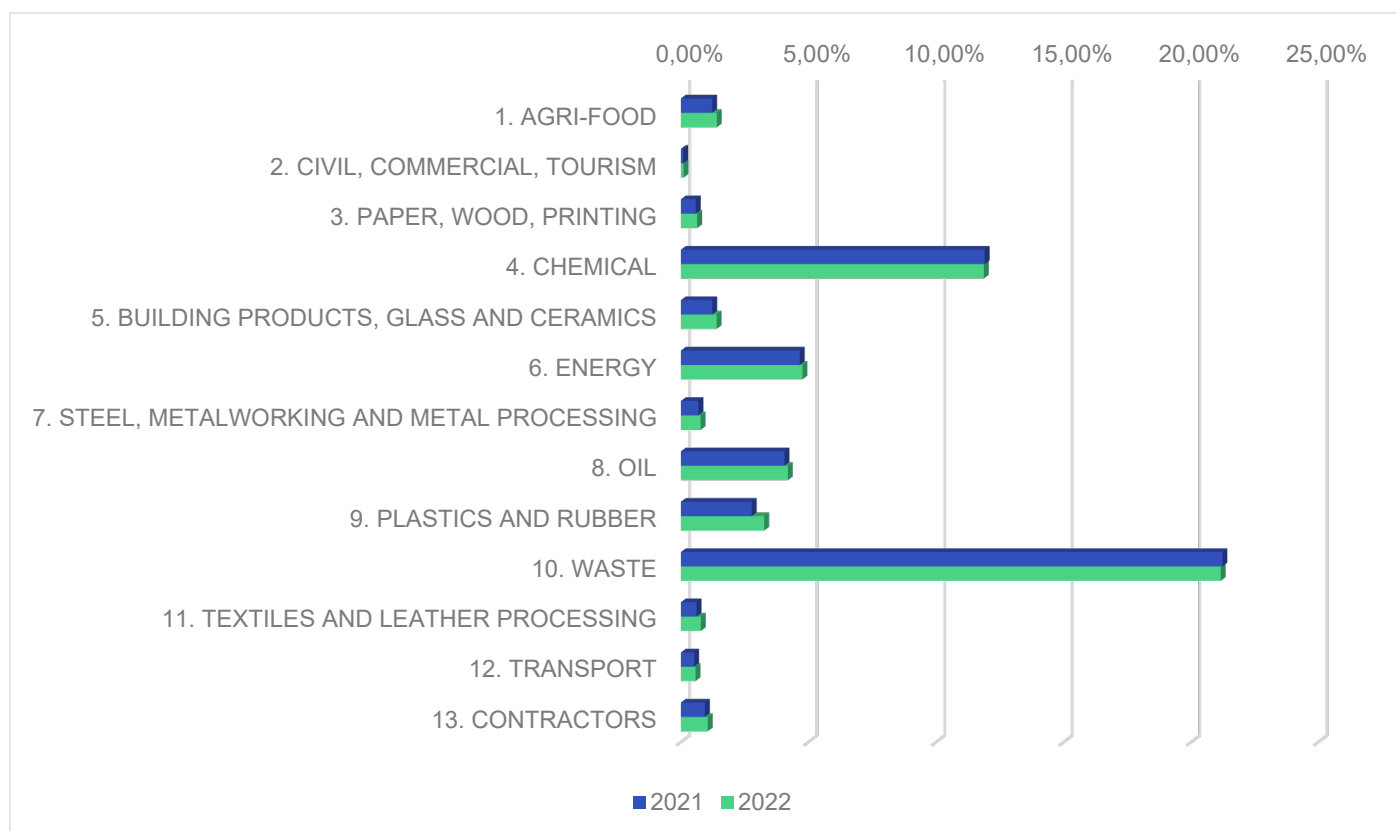
Table 1b – Portfolio of environmental damage policies in Italy and number of active companies per sector – 2022 data (partial)

SECTOR	N° Companies operating in Italy	ANIA DATA 2022										
		N° Policies	Distribution N° Policies	Incidence N° Policies/N° Companies	Technical premium income (€ x 1.000)	Distribution technical premium	N° Claims	Distribution N° Claims	Total cost of Claims (€ x 1.000)	N° Claims/N° Policies	Average cost of claims (€ x 1.000)	Loss Ratio
1. AGRI-FOOD	25.028	352	6%	1,41%	1.523	3%	1	1%	800	0%	800,0	52,5%
2. CIVIL, COMMERCIAL, TOURISM	596.629	607	10%	0,10%	5.109	12%	10	10%	313	2%	31,3	6,1%
3. PAPER, WOOD, PRINTING	21.538	137	2%	0,64%	1.055	2%	0	0%	0	0%	0,0	0,0%
4. CHEMICAL	3.572	424	7%	11,87%	5.883	13%	7	7%	206	2%	29,4	3,5%
5. BUILDING PRODUCTS, GLASS AND CERAMICS	9.136	128	2%	1,40%	964	2%	0	0%	0	0%	0,0	0,0%
6. ENERGY	2.478	118	2%	4,76%	2.256	5%	13	13%	153	11%	11,8	6,8%
7. STEEL, METALWORKING AND METAL PROCESSING	82.711	639	10%	0,77%	7.809	18%	9	9%	358	1%	39,8	4,6%
8. OIL	6.801	285	5%	4,19%	4.369	10%	15	15%	1.328	5%	88,5	30,4%
9. PLASTICS AND RUBBER	6.742	220	4%	3,26%	1.330	3%	3	3%	20	1%	6,7	1,5%
10. WASTE	6.610	1.399	23%	21,16%	6.582	15%	17	18%	1.749	1%	102,9	26,6%
11. TEXTILES AND LEATHER PROCESSING	18.936	148	2%	0,78%	949	2%	1	1%	7	1%	7,0	0,7%
12. TRANSPORT	41.582	238	4%	0,57%	1.482	3%	6	6%	23	3%	3,8	1,6%
13. CONTRACTORS	135.736	1.431	23%	1,05%	4.712	11%	15	15%	738	1%	49,2	15,7%
TOTAL	957.499	6.126	100%	0,64%	44.023	100%	97	100%	5.685	2%	58,7	12,9%

² Pool Ambiente processing based on ANIA data for the calendar years 2021 and 2022 and ISTAT data for 2021 and 2022 Companies and employees (istat.it). In particular, it should be noted that: a) The following have been subtracted from the total number of active companies in Italy: individual entrepreneurs, freelancers, self-employed workers, companies without employees; b) Fuel depots and roadside petrol stations have been attributed to the 'Oil' category and not to the 'Civil, Commercial, Tourism' category, in which they are instead included in the Istat statistics; c) In the 'Civil, Commercial, Tourism' sector, the following activities have not been counted, as they are considered to have a low environmental risk and therefore not relevant for the purposes of this analysis: law firms and accountancy (Ateco code 69), real estate (Ateco code 68), business management and consultancy (Ateco code 70), and of course oil depots and roadside petrol stations, included in the oil sector.



Graph 1 – Percentage incidence of environmental damage policies (no. of policies/no. of companies) by sector in 2021 and 2022



By analyzing 'Graph 1. - Percentage incidence of environmental damage policies by sector', the following considerations can be made by sector for 2022:

Waste - 21.16% is the percentage of companies in the waste sector with a policy for environmental damage. The explanation for this high level of environmental coverage can undoubtedly be traced back to the obligation in force in the Veneto region since 1999 for companies in the waste sector to take out both an insurance policy and a surety bond in favor of the Region for environmental damage³. Without this obligation, the percentage of companies in the waste sector with an environmental policy would fall to around 13.61%⁴, according to an estimate based on portfolio data resulting from the Environment Pool.

Chemical - 11.87% is the percentage of companies in the chemical sector with insurance coverage for environmental damage. Although this value is higher than the average for Italy, it is still cause for concern, given the intrinsic danger of this sector and the still limited number of insured companies. Some multinational companies in the chemical sector may, however, be insured through international programs that are not included in present survey.

³ The regional law of the Veneto that requires companies in the waste sector to have a Pollution Liability policy is D.G.R.V. no. 2528 of 1999. This law and subsequent amendments establishes that companies that collect, transport, recover and dispose of waste must take out an insurance policy with a maximum coverage of no less than 3,000,000 euros for each claim and for each insurance year.

⁴ This estimate was calculated by subtracting the number of policies present in the Veneto region from the number of policies in the waste sector and parameterising this data to the number of companies in the waste sector excluding the Veneto region, according to a sample of data available to the Pool Ambiente.



Petroleum - 4.19% is the percentage of companies in the petroleum sector with an environmental policy. This figure also takes into account the number of roadside petrol stations and fuel depots⁵. However, since some companies insure numerous petrol stations and/or depots with a single policy, this is only a rough estimate.

The ratio between the cost of claims and premiums collected in the oil sector is 30% for 2022 and reaches 75% for the more complete series of 2021, confirming a negative trend observed by the Pool Ambiente over the last ten years and largely due to the progressive ageing of underground tanks containing petroleum products, which are confirmed as being one of the most frequent sources of damage to the environment⁶.

Activities at third parties - 1.05% is the incidence of policies relating to activities at third parties. These activities mainly include construction, reclamation and maintenance carried out at third parties.

Steel, metalworking and metal treatment - 0.77% is the percentage of policies in this sector; although in line with the national average, it is also striking in this case the small number of policies issued compared to a type of activity frequently subject to IED and with a generally significant risk of damage to the environment.

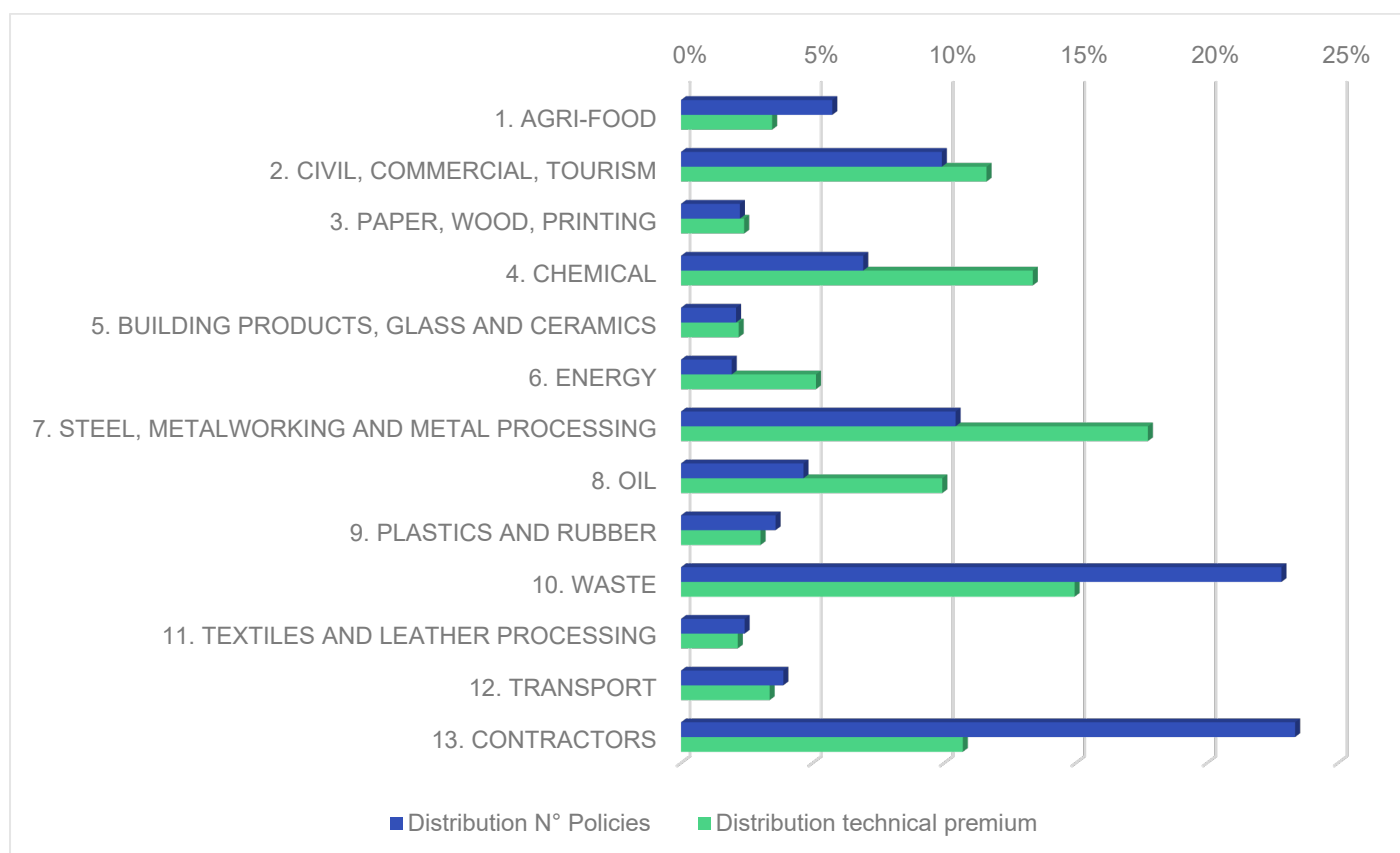
In general, it can be seen that the data for 2022, although still incomplete, are in line with the data for 2021 updated as part of this survey, and show a slight improvement in the number of policies (although, as already mentioned, still less than 1% overall penetration).

⁵ for Istat (Italian National Institute of Statistics) roadside distributors and petroleum product depots are included in the Civil, Commercial, Tourism category (Ateco 46 and 47), but for the purposes of this study they have been counted in the petroleum sector

⁶ Based on the information available to the Environment Pool; in this regard, see the 'Environment Pool Report 2024' on the website of the [Environment Pool - PA Rapporto 2024.pdf](#).



Graph 2 – Percentage distribution of policies (no. of policies per sector / no. of total policies) and technical premiums (premium per sector / total premium) per sector in 2022



The polluter pays principle in Italy and public spending on the reclamation of polluted sites

Every year in Italy there are about 1,000-1,500 new cases of contamination. Of these, 700-1,200 are caused by companies. About 500-900 cases are due to 'regular' companies, excluding environmental offences and criminal behavior.

However, the total number of potentially contaminated sites is much higher:

- 41,000 are potentially contaminated sites;
- 12,000 are sites already classified as contaminated;
- 42 Sites of National Interest (SIN) that require complex interventions.

As seen in the previous paragraph, given that less than 1% of companies have coverage for environmental damage, on average in 99% of these cases there is no policy to cover the costs of cleaning up and restoring environmental damage. Companies involved in 'environmental accidents' therefore find themselves facing huge expenses, which can reach several million euros and which generally have not been budgeted for. This unexpected outlay can put a strain on the company's liquidity and undermine its solidity. The bankruptcy of the company obviously has serious repercussions on jobs and on the local economy, as well as on public spending, given that in all these cases the necessary restoration/reclamation work is financed by the State. Industry studies indicate that between 5% and 10% of bankrupt companies in industrial and environmental sectors could have had remediation as a determining factor in their crisis. From 2006 to 2023, over 200,000 companies in all sectors in Italy went bankrupt, including the chemical and metallurgical industries, construction, real estate and waste management. Based on this number, we could therefore estimate that between 10,000 and 20,000 companies have gone bankrupt due to clean-up costs.



In Italy, funding for the clean-up of orphan contaminated sites comes mainly from national and European public funds. The main funding instruments are:

- a) Fund for the remediation of orphan sites - Established by the 2019 Budget Law, it finances the remediation of contaminated sites for which the responsible parties cannot be identified or do not intervene;
- b) Fund for remediation of Sites of National Interest (SIN) - Intended for SIN (large contaminated areas of national importance);
- c) Fund for the planning of remediation interventions - Supports the planning of remediation works in municipalities and regions;
- d) National Recovery and Resilience Plan (NRRP) – 500 million euros have been allocated for the recovery of disused industrial sites by 2026;
- e) European funds (e.g. ERDF, JTF);
- f) Regional and local funds.

It is not easy to find the Italian government's expenditure on the reclamation of contaminated sites from 2006 (the year in which the Consolidated Environmental Act Legislative Decree 152/2006 was published) to 2024 in a single official source, but it is possible to make an estimate based on public data relating to national, regional and European funds. The overall estimate is around **4.5 billion euros**. This figure is destined to increase year on year and could rise significantly, for example due to the widespread PFAS contamination of various areas of our country and the constant underinsurance of companies for environmental liability risks. To reduce the State's contribution to the costs of remediation and ensure that the 'polluter pays' principle is truly applied, at least two things need to be done: increase the commitment of companies to prevent damage to the environment and increase the availability of coverage for these risks.

The average cost of accidents reported in the statistical survey (58,700 euros for 2022) can give the false illusion that damage to the environment is limited. In reality, as with all averages, it should be considered that this amount is a value that takes into account all reported accidents, including small claims or those only reported as a precaution. In fact, the costs can easily exceed several million euros, and there is also a great variability in costs from case to case, given that there are numerous factors that affect the cost of interventions such as Emergency Safety Measures and Restoration.

If the company goes bankrupt because it can't afford these expenses, it's up to the Region or possibly the Central Government to take charge of the interventions, but the allocation of funds often leads to delays of even several years before it's actually possible to intervene with the reclamation and repair of the environmental damage. The people who suffer the consequences are the citizens themselves, who see their quality of life and life expectancy worsen because they are more exposed to potentially harmful substances. But we all, as taxpayers, contribute to the clean-up costs for all the companies that have gone bankrupt, because they don't have an environmental liability policy or the funds necessary to repair the damage to the environment.

Every case of a company going bankrupt following an environmental accident is also a failure to apply the 'polluter pays' principle. For this EU principle to be widely applied, it is essential that the company has at least one financial guarantee to cover environmental damage.

Considering the low penetration rate of these policies, the above claims data are therefore not representative of all accidents with environmental consequences that occur in our country. Furthermore, given that these by definition present a greater variability over time compared to the data on premiums, it should also be noted that the small number of policies and consequently of claims makes the data even less statistically robust, and therefore even more subject to annual variations. That said, although the data for 2022 is still partial, while the figure for 2021 has been significantly modified following this update and can be considered practically definitive, we can first of all note (Table 1a) the high *Loss Ratio*⁷ (*Claims Cost Ratio/Technical*

⁷ The loss ratio is one of the indicators of the cost-effectiveness of technical insurance management and represents the ratio between the cost of claims and the premiums collected in the same financial year and administrative period.



Premiums) of the oil sector, evidently the result of inadequate regulations and insufficient maintenance controls, followed by the steel, agri-food and waste sectors. The average loss ratio is around 20% (the value for 2022 is 13%, still evidently provisional).

The continuation of these surveys in the coming years will allow for more and more solid conclusions from a statistical point of view.

Portfolio analysis by region

The snapshot of the distribution of policies compared to the number of companies per Italian region (Graph 3) provides us with some interesting data: Veneto is the region with the highest number of policies (1.85% in 2022), generally the regions of the center-north have values above the average, while those of the center-south and islands generally have values below the average, with Campania (0,21%) holding the record for the lowest number of policies in relation to the number of active companies.

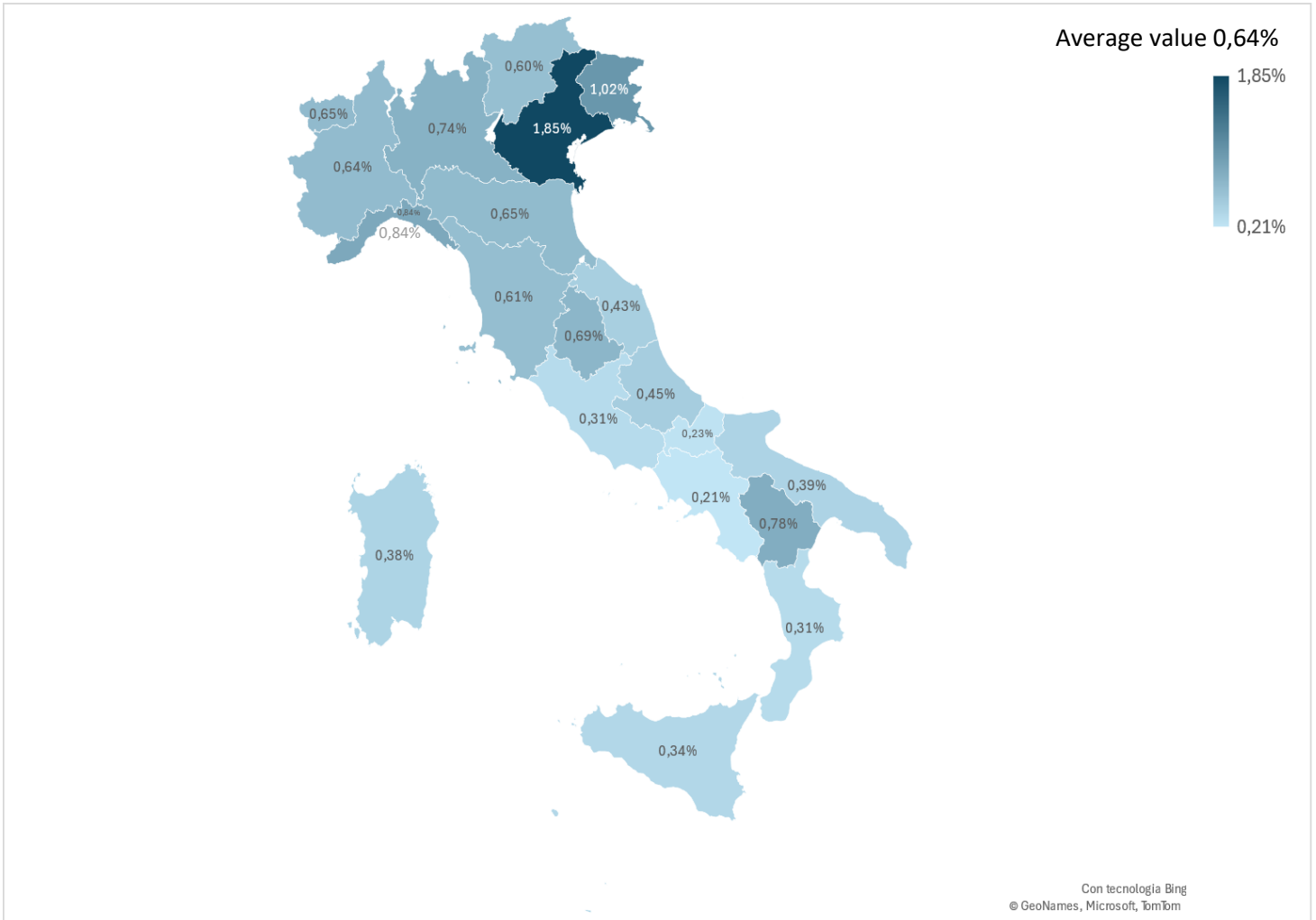


Table 2 - Portfolio of environmental policies in Italy and number of active companies by region – 2022

ITALIAN REGION	N° Companies operating in Italy	ANIA DATA 2022				
		N° Policies	Distribution N° Policies	Incidence N° Policies/N° Companies	Technical premium (€ x 1.000)	Distribution technical premium
Abruzzo	21.524	97	2%	0,45%	562	1%
Basilicata	7.518	59	1%	0,78%	200	0%
Calabria	21.324	66	1%	0,31%	254	1%
Campania	90.482	188	3%	0,21%	1.014	2%
Emilia-Romagna	76.316	493	8%	0,65%	3.299	7%
Friuli-Venezia Giulia	16.828	171	3%	1,02%	919	2%
Lazio	105.808	323	5%	0,31%	3.310	8%
Liguria	23.340	195	3%	0,84%	2.060	5%
Lombardia	176.523	1.302	21%	0,74%	15.436	35%
Marche	27.072	117	2%	0,43%	644	1%
Molise	4.307	10	0%	0,23%	35	0%
Piemonte	59.472	382	6%	0,64%	2.952	7%
Puglia	54.438	210	3%	0,39%	595	1%
Sardegna	23.177	89	1%	0,38%	806	2%
Sicilia	59.448	205	3%	0,34%	1.390	3%
Toscana	67.170	410	7%	0,61%	2.469	6%
Trentino-Alto Adige	21.200	127	2%	0,60%	791	2%
Umbria	14.402	100	2%	0,69%	479	1%
Val d'Aosta	2.307	15	0%	0,65%	149	0%
Veneto	84.843	1.567	26%	1,85%	6.659	15%
TOTAL	957.499	6.126	100%	0,64%	44.023	100%



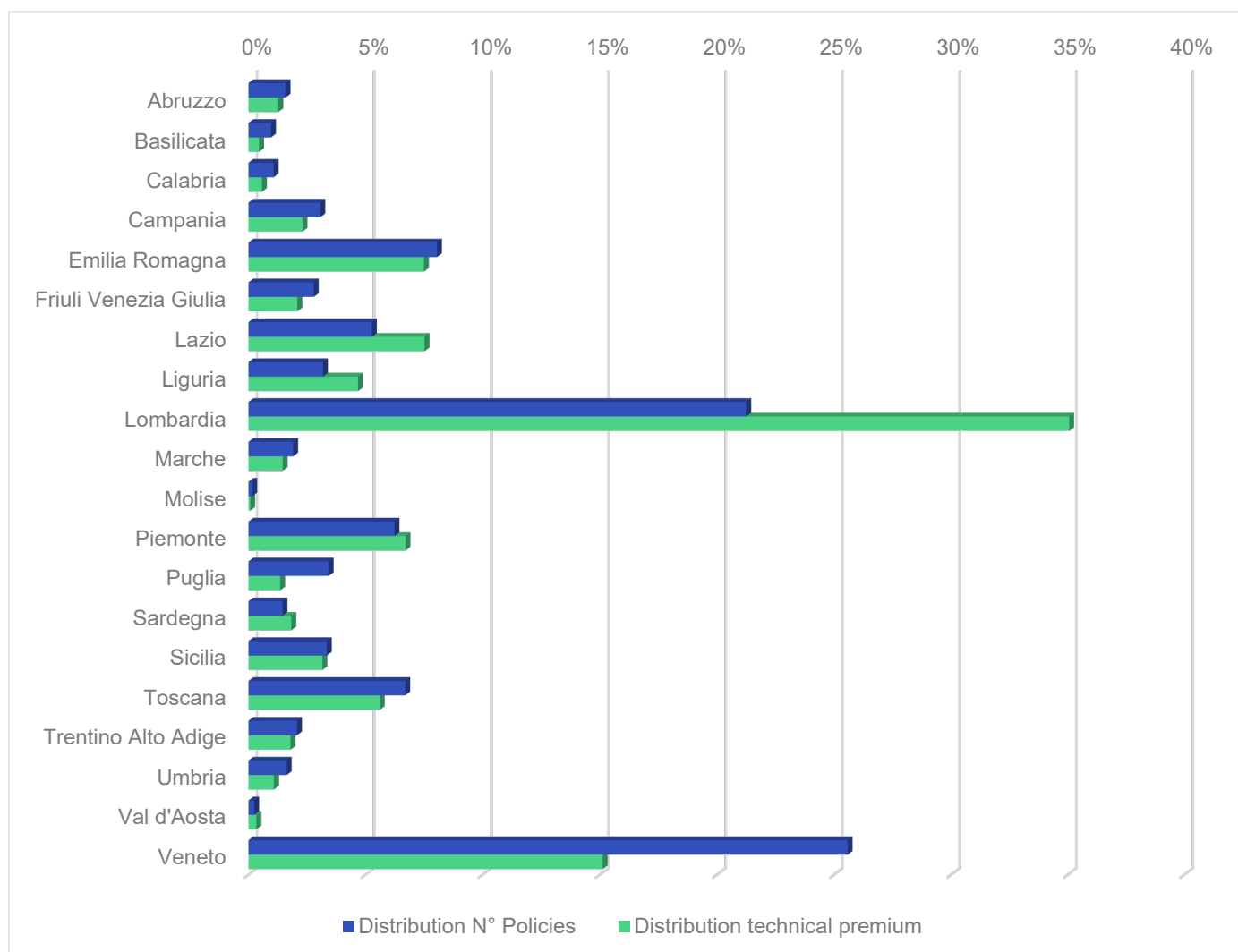
Graph 3 – Percentage incidence of environmental policies (number of policies/number of companies) by region (2022)



The graph below shows the distribution of policies by Italian region, both in terms of number of policies and technical premiums collected. While Veneto leads in terms of the number of contracts, Lombardy is first in terms of premium collection. The figure is obviously influenced both by the number of companies, which in Lombardy is the highest in the Country, and by the fact that in Veneto companies in the waste sector are obliged to have an Environmental Liability policy, which has a lower average premium compared to other types of insured risks.



Graph 4 – Percentage distribution of policies (no. policies/total policies) and technical premiums (premiums/total premiums) by region – 2022



Types of insurance coverage for environmental damage in Italy and operators

Italy has developed ad hoc insurance products to cover the risk of environmental damage since 1979, the year Pool Ambiente was founded. Over the years, the presence of the Pool Ambiente consortium has allowed a very large number of insurance companies to operate in this sector. Today, the Italian insurance market for environmental liability risks has more than 20 insurance companies offering this type of coverage.

Professional reinsurers also participate in this type of risk, helping to ensure that there is ample capacity on the market. In the case of the Environment Pool, the available capacity for each individual policy issued was 50 million euros in 2021 and is 64 million in 2025.

The wide range of policies for environmental damage also means different reference texts, generally with very broad guarantees and suitable for insuring the environmental liability of companies of all types and sizes.

In particular, with reference to Pool Ambiente, two types of text are available:

- A) **Tailor Made (Environmental Protection)** - suitable for all types of companies. The basic guarantee includes all the obligations provided for by the ELD directive and by national legislation on remediation. It also provides numerous optional guarantees and includes important services to



support the company, such as personalized advice from an environmental technician for better management of environmental risks.

- B) **Standard (light environmental damage)** - specifically designed for SMEs. The basic guarantee is very comprehensive and covers the obligations set out in the ELD directive and national legislation on remediation. The policy also covers environmental damage caused by extreme natural events and third-party claims in the event of climate disputes. To take out the policy, it is necessary to meet certain technical requirements relating to the prevention of damage to the environment.

Despite the wide availability of policy texts and a large number of operators on the market, it is a fact that the diffusion of this type of coverage is very limited, unlike the extension to accidental pollution on RCT Policies, which is much broader. The presence of this particular extension in liability policies creates the false belief in companies that this represents specific coverage for environmental risk and therefore that they don't need to take out an additional policy/dedicated section.

Mandatory guarantees and policies for environmental damage

Insurance policies and guarantees are complementary tools in guaranteeing the protection of natural resources. The Veneto region has embraced this concept since 1999 when, by Regional Law D.G.R.V. n.2528 it introduced the obligation for companies in the waste sector to have both a surety in favor of the region and a policy with a ceiling of not less than 3,000,000 euros for each claim and for each insurance year.

How do these two financial instruments work together? Let's imagine a temporary waste storage facility in Veneto, where, following a human error, there is a spill of liquid waste and the contamination of a stream and the surrounding land. The company activates the Environmental Liability Policy that supports the company in carrying out emergency measures and remediation interventions, compensates the expenses incurred and compensates the damaged third parties. The company's assets are protected, as are its stability and jobs, and at the same time the damaged natural resources are restored. Let's imagine instead that the event that caused the pollution is not covered (for example because it pre-existed the policy or because it was voluntary): in this case the policy would not operate but if the company were unable to fulfil its obligations to clean up the area, the Region could still call in the surety and thus obtain financing to carry out the work necessary to restore the damaged area. Thanks to the coexistence of the policy and the surety, the latter costs less because the circumstances under which the guarantee would be enforced are much fewer than if the policy were not present.

The experience gained in the Veneto region over more than twenty years tells us that the idea was a good one and a winner, and that it should be taken as an example for other sectors, especially outside the Veneto region.

In fact, only the combination of the two guarantees, Policy and Surety, ensures the protection of the environment, citizens, public bodies and the company itself.

Even if issued by a reliable company⁸, a surety bond alone, in case of need, can provide the economic resources necessary to repair the damage, but always at the expense of the company, which in these cases could easily go into crisis, with damage to the company itself, its workers and the related industries.

⁸ In this regard, the current situation presents several critical issues, as highlighted by the Bank of Italy ([Bank of Italy - Financial guarantees: be careful](#)) and Ivass ([IVASS - Financial guarantees for P. A.=](#)).



The spread of environmental insurance coverage in Italy: obstacles

There are many reasons for the limited use of these covers, and they are often intertwined. In particular, there are some common misconceptions in our country that hinder the spread of this type of cover.

With the exception of the Veneto region for the waste sector, in Italy there are no other obligations with regards to taking out environmental damage policies, and any other reference to stipulation obligations (e.g. IED and Seveso) is not applied in practice.

Therefore, given the absence of a real obligation to take out insurance cover, with the above exception, the obstacles to the spread of insurance cover for environmental damage can be summarized as follows:

1) IN COMPANIES: 'I have no risks' - The lack of awareness of companies regarding the risk of environmental damage and the low frequency of this type of damage cause a general underestimation of this risk. Having never experienced an environmental damage event in one's career or in the history of a company, leads to risk habituation and to think to be not subject to such risks. To make matters worse, there is also the belief that the accidental pollution extension, present in most General Liability policies, is a complete coverage for environmental damage and that therefore it is sufficient, in case of damage, to face the possible consequences and related expenses. The existence of strict legal regulations and obligations in terms of repairing environmental damage (for example, the ELD directive, as implemented by Legislative Decree 152/06) but which imposes very few obligations in terms of prevention, is unfortunately not in itself sufficient to induce companies to effectively prevent environmental damage.

2) IN INSURANCE INTERMEDIARIES: 'It's a complex policy for the few' The widespread belief that this insurance only covers a small number of companies 'at greater risk', combined with the technical difficulties in understanding a text that is rarely dealt with, only serve to increase the distrust and reluctance of the sales network to propose this text to their customers, who often prefer a more passive approach of the type 'if they really ask me to...'. Furthermore, often the intermediaries are the first to not know and not be able to explain the differences between a dedicated policy and one that covers accidental pollution, which they typically propose and include at an extremely reduced premium, generating, however, a false sense of security in the insured.

3) THE MEDIA, CONSUMERS AND INSTITUTIONS 'It's a policy that finances polluters and therefore does not contribute to the protection of the environment' – There is still a widespread obsolete view of policies and the insurance world and a lack of knowledge of the evolution of these policies over the years; the scope of guarantees and services in supporting companies in better risk management has also deeply evolved, supporting a more efficient prevention of damages to the environment as well as a more prompt and immediate response in case of accident. By ignoring the benefits of a wider distribution of Environmental Liability coverage, no added value or return in terms of image/profit is given to those more virtuous companies that correctly manage environmental risks and take out this type of policy. This is demonstrated, for example, by the fact that the Delegated Regulations implementing the Taxonomy Regulation do not in any way recognize the role of these coverages in achieving sustainability objectives.

Benefits of environmental damage policies

Environmental damage policies have an important social and environmental value. Their use and diffusion, in fact, has several important benefits inherent to the economic, social and environmental spheres at various levels, both local and national. Taking out an environmental damage policy is therefore also a tool that contributes to the sustainability of the company and the improvement of its ESG rating. Here's why:



A) ENVIRONMENTAL BENEFITS

- a) More effective prevention of damage to the environment and climate by the insured parties (mostly companies), who receive economic incentives and coverage and professional assistance from the company for risk management and identification of the most appropriate prevention measures;
- b) Greater compliance with rules and regulations, including environmental ones, by the insured parties (in the event of non-compliance with environmental obligations, the insured risks not receiving the requested coverage);
- c) Punctual compliance with the intervention and self-reporting obligations provided for by environmental legislation to limit damage to the environment and restore damaged natural resources (also in this case, in the absence of punctual compliance with regulatory obligations, the insured risks not receiving the requested coverage).

B) SOCIAL BENEFITS

- a) Protection of the health of workers and the population, both through the implementation of more adequate prevention measures and through the faster and more effective execution of restoration measures;
- b) Protection of the urban destination, avoiding that the bankruptcy of the company responsible for a contamination creates rifts in the urban fabric with the consequent formation of marginalized areas.

C) ECONOMIC BENEFITS

- a) Protection of the company's assets, its solidity and its management. This also preserves jobs in the company itself and in its supply chain; in fact, only an insurance policy can inject new economic resources into the clean-up process, while a financial guarantee only guarantees the presence of economic resources, which are in the end then taken back from the company;
- b) Savings in economic resources for the State and local authorities in all those cases where the party responsible for the environmental damage is insolvent;
- c) Savings in public expenditure for the treatment of people whose health has been damaged as a result of environmental damage.

In view of such numerous and important benefits, it is clear that a greater diffusion of coverage for environmental damage would bring significant advantages on several fronts, which would benefit citizens, businesses and institutions.

Possible solutions for a greater diffusion of environmental responsibility policies

Encouraging companies to make greater use of environmental policies could be a first step towards increasing the spread of this type of coverage. Among the initiatives that could bring results in this sense are:

1. Promoting the stipulation of an Environmental Liability insurance policy:

- ◇ in the ESG rating, as a policy that favors sustainability;
- ◇ in the Sustainability Report;
- ◇ in the application of the Taxonomy Regulation, i.e. in the European common classification system that establishes a 'common language and a clear definition of which activities are considered sustainable, thus favoring transparency and comparability by investors';
- ◇ in Law 231/2001 on the administrative and criminal liability of organizations and in the related Guidelines of trade associations (e.g. Confindustria), regarding the construction of organization, management and control models. Given that the law was created to prevent offences, in this case environmental offences, an organizational model that also shows the ability to prevent the possible inadequacy of the company in relation to the consequences deriving from a possible environmental offence is undoubtedly considered more complete.

2. Give economic/competitive advantages to companies that sign an environmental policy, for example:

- ◇ higher score in public and private tenders;



◇ reduction of the amount of compulsory sureties (e.g. companies in AIA).

3. Set obligations for certain companies and sectors and reinforce what is already provided for in current legislation:

◇ **Seveso Directive** – ‘RIR – Companies at risk of a major accident’ Legislative Decree no. 105 of 26 June 2015, as amended and supplemented, implementing the ‘Seveso III’ Directive 2012/18/EU. This regulation establishes various obligations aimed at preventing damage to the environment, including an insurance policy for environmental damage risks (Annex F.2 Insurance Measures). This annex is then checked by the authority with reference to its consistency with potential accidents that could occur[LB1]. The regulation is effective in preventing damage to the environment both in terms of reducing the probability and the severity in the event of an accident. Potentially effective in encouraging the use of insurance, it does not however indicate what type of policy is required: whether dedicated or a simple extension to a RCG policy. Many companies believe it should be referred to accidental events with an external impact and consequently take out extensions to RCG policies.

◇ **IED Directive** - ‘AIA - Integrated Environmental Authorization’ Legislative Decree 152/2006 Part Two and subsequent amendments and additions in implementation of the ‘IED’ Directive 2010/75/EU. CURRENT REGULATION for some types of companies. The Integrated Environmental Authorization (IEA) is a measure that authorizes the operation of a plant on condition that compliance with certain requirements (mainly relating to emissions) is guaranteed. Companies with a state Integrated Environmental Authorization and some with a regional one are subject to the obligation of a Reference Report: verification of the state of the soil and subsoil (baseline) to be repeated at the closure of the plant[LB2]. Companies subject to this obligation are also required to present financial guarantees to cover any restoration to baseline conditions. The regulation is quite effective in promoting better management of the risks of environmental damage in companies that fall under these obligations, but it does not guarantee the same level of attention for all potential sources of damage present on the site. In particular, attention is normally centered on emission sources (wastewater and emissions into the atmosphere), and sources such as tanks and underground pipes are frequently neglected. This regulation is therefore ineffective in promoting greater recourse to environmental damage policies. Furthermore, the obligation refers only to financial guarantees (sureties), which as described above are ineffective in protecting the company and its related industries in the event of an accident and does not provide insurance coverage.

Legislative Decree 152/2006 – ‘Consolidated Environmental Act’ – The sections on remediation and environmental damage do not include any obligation to stipulate financial guarantees for damage to the environment. In fact, it has not been effective in incentivizing/forcing companies to better prevent damage to the environment or to make greater use of insurance. The consolidated text is currently being revised, and we hope that it will provide more guidance for companies to protect the environment more effectively and ensure that the *polluter pays* principle can be applied.

However, to quickly achieve the objective of widespread use of such coverage, the most effective solution could be the introduction of compulsory insurance, possibly combined to financial guarantees to cover damage to the environment caused by companies.

The Pool Ambiente, with its long experience and expertise in the management of environmental liability risks, has developed the following decalogue that summarizes the most effective actions to prevent damage to the environment and minimize its consequences.



DECALOGUE

For effective management of Environmental Liability risks

Priority interventions by companies for the protection of the environment and human health:

1. Identification of potential sources of risk and scenarios of damage to the environment.
2. Ordinary and extraordinary **maintenance of** systems and devices carried out in accordance with the manufacturer's instructions and best practices.
3. Introduction of procedures that guarantee compliance with recommendations and **guidelines of the sector**, also with regard to non-standardized substances used/produced.
4. Adoption of the **PdR UNI 107/2021** 'Protected Environment - Guidelines for the Prevention of Environmental Damage - Technical Criteria for Effective Environmental Risk Management'.
5. Taking out an **Environmental Liability Policy**.
6. Provide adequate **education and training** for company personnel for effective environmental liability risk management and emergency management.
7. For **elements with single walls that are underground** or directly resting on the ground, plan for conversion/replacement with a double-walled element with continuous leak control. Where this is temporarily not possible, it is important to protect the underground metal elements with cathodic protection, to carry out regular structural checks and to also consider possible vitrification, while for underground non-metallic pipes, regular video inspections and leak tests should be carried out.
8. For **above-ground elements**, provide a suitably sized and waterproofed containment basin.
9. Take measures to avoid or contain **spills during loading and unloading**, such as a load limiting valve, labelling of loading points, safety couplings and segregation of rainwater.
10. In case of fire or any accident involving the spillage of substances, call an **emergency response** company to contain the contamination.

Conclusions

The almost total absence of maintenance and control obligations for companies and the (partially consequent) lack of a culture of prevention and environmental liability risk management result in a general underestimation of these risks, and in fact in a lack of commitment to preventing damage to the environment. The use of insurance policies for environmental damage is also almost non-existent: less than 1% of companies have this type of coverage, which is actually a very important tool to guarantee the repair of damaged natural resources and compensation for those who may have suffered damage. We too, as citizens, are particularly vulnerable and exposed in the event of environmental damage; living in a contaminated environment worsens the quality of life and increases the risk of developing pathologies, even serious ones, which shorten the healthy life expectancy of each and every one of us. In our country, unfortunately, there are several 'sacrifice zones' where, for various reasons, people's health has been sacrificed due to serious damage to the environment. This mix of factors makes the risks of environmental damage potentially catastrophic, something that must be managed as a priority by introducing all the initiatives and tools available to prevent damage and be able to repair it when it occurs.



Pool Ambiente

Since 1979, the Pool Ambiente has been the co-insurance consortium that brings together insurance and reinsurance companies and supports companies in the correct management of environmental liability risks and their adequate insurance coverage. Today the Pool has 20 important companies as members, it is managed by a technical secretariat that is highly specialized in environmental issues, it constantly studies and updates the policy texts to align them with the regulations and anticipate needs, it allows the member companies to propose policies with maximum limits of up to 64 million euros for each individual contract. Through guarantees and services, the companies that are part of the Pool support businesses in better managing environmental liability risks, effectively preventing damage to the environment and reducing greenhouse gas emissions. In addition, in the event of an 'accident', they guarantee the repair of damages and compensation for injured third parties.

These are the companies that are members of the Pool Ambiente in 2025:

1. ASSIMOCO
2. AXA - MPS ASS.NI DANNI
3. AXA ASSICURAZIONI
4. GENERALI ITALIA
5. GROUPAMA
6. HANNOVER RE
7. HDI ASSICURAZIONI
8. HELVETIA
9. INTESA SANPAOLO PROTEZIONE
10. ITALIANA ASSICURAZIONI
11. ITAS MUTUA
12. LE ASSICURAZIONI DI ROMA
13. MUNICH RE
14. NEW RE
15. SARA ASSICURAZIONI
16. SCOR SE
17. SOCIETÀ REALE MUTUA
18. SWISS RE EUROPE
19. UNIPOL ASSICURAZIONI
20. VITTORIA ASSICURAZIONI

The Pool Ambiente has launched numerous initiatives to raise awareness of environmental liability risks and contribute to a greater diffusion of this type of coverage, in particular:

- a) *PdR UNI 107:2021 'Protected Environment - Guidelines for the prevention of environmental damage - Technical criteria for effective environmental risk management'* - innovative certification that supports companies in the effective management of Environmental Liability risks. Downloadable in Italian and English [at this link](#).
- b) *Pool Ambiente 2024 Report* – downloadable in both Italian and English [at this link](#);
- c) *Webinar on Environmental Liability Risks* delivered in collaboration with CINEAS. Free participation upon registration at [this link](#). Participation entitles you to training credits for HSE Managers recognized by CERSA ICQ.
- d) *New web platform CLIMATE AWARE* created by Lifegate for Pool Ambiente, available free of charge to all companies insured with companies participating in the Pool to support a transition towards climate neutrality. Through the platform it is possible to: access e-learning modules, use the tool to calculate your greenhouse gas emissions, receive support to develop an emission reduction strategy.
- e) *Monthly newsletter* – every month a selection of the most interesting articles on cases of environmental damage and regulatory news is sent to subscribers. *It is possible to subscribe at this link*.
- f) *Daily press review* – every day the Pool's website publishes the most relevant articles on environmental risks, accidents and regulatory news. *Consult it at this link*.

To receive more information about Pool Ambiente, write to info@poolambiente.it. consult the website poolambiente.it or the LinkedIn page [@PoolAmbiente](#).